



HEALTH QUARTERLY STATEMENT

As of March 31, 2012
of the Condition and Affairs of the

Express Scripts Insurance Company

NAIC Group Code..... ,
(Current Period) (Prior Period)

NAIC Company Code..... 60025

Employer's ID Number..... 86-0754726

Organized under the Laws of Arizona

State of Domicile or Port of Entry Arizona

Country of Domicile US

Licensed as Business Type Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized..... February 23, 1994

Commenced Business..... February 23, 1994

Statutory Home Office

7909 South Hardy Drive..... Tempe AZ 85284
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

7909 South Hardy Drive..... Tempe AZ 85284
(Street and Number) (City or Town, State and Zip Code)

866-332-5455-345966
(Area Code) (Telephone Number)

Mail Address

One Express Way, Mailstop HQ2E04..... Saint Louis MO 63121
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

One Express Way; Mailstop: HQ2E04..... St. Louis MO 63121
(Street and Number) (City or Town, State and Zip Code)

800-332-5455-345966
(Area Code) (Telephone Number)

Internet Web Site Address

www.express-scripts.com

Statutory Statement Contact

Kelia D Clements
(Name)
kdclements@express-scripts.com
(E-Mail Address)

800-332-5455-345966
(Area Code) (Telephone Number) (Extension)
866-276-7055
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Britton Pim	President & Chief Executive Officer	2. Jeffrey Hall	Chief Financial Officer
3. Keith Ebling	Secretary	4. Kelley Elliott	Assistant Secretary

OTHER

Matthew Harper	Treasurer	Marty P Akins	Assistant Secretary
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DIRECTORS OR TRUSTEES

Pat McNamee	Jeffrey Hall	Ed Ignaczak	Keith Ebling
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State of..... Missouri
County of..... Saint Louis

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Britton Pim	(Signature) Kelley Elliott	(Signature) Matthew Harper
1. (Printed Name) President & Chief Executive Officer	2. (Printed Name) Assistant Secretary	3. (Printed Name) Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 10th day of May, 2012

a. Is this an original filing?

Yes [X] No []

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

Christopher P. Fisher, Notary Public
St. Louis City, State of Missouri
My Commission Expires 10/24/2012
Commission Number 08408984

Express Scripts Insurance Company

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....			.0	
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....511,214), cash equivalents (\$.....0) and short-term investments (\$.....26,933,009).....	27,444,223		27,444,223	28,775,019
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	27,444,223	.0	27,444,223	28,775,019
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	1,221		1,221	.976
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			.0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....	7,749,072		7,749,072	3,042,417
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	4,147		4,147	2,025
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	30,064,937		30,064,937	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	65,263,600	.0	65,263,600	31,820,437
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	65,263,600	.0	65,263,600	31,820,437

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. ....			.0	
2502. ....			.0	
2503. ....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

Express Scripts Insurance Company
LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	220,800		220,800	316,200
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	4,383		4,383	6,300
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	67,500		67,500	18,500
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	4,016,431		4,016,431	2,824,341
10.2 Net deferred tax liability.....	192,322		192,322	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	4,436,043
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
20. Reinsurance in unauthorized companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	40,073,416		40,073,416	6,054,025
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	44,574,852	0	44,574,852	13,655,409
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	2,600,000	2,600,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	6,330,976	6,330,976
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	11,757,772	9,234,052
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	20,688,748	18,165,028
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	65,263,600	31,820,437

DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX.....	146,232.....	112,908.....	245,224.....
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	24,252,149.....	9,569,752.....	44,773,898.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....	.....	.....
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....	.....	.....
5. Risk revenue.....	XXX.....	.....	.....	.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0.....	0.....	0.....
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0.....	0.....	0.....
8. Total revenues (Lines 2 to 7).....	XXX.....	24,252,149.....	9,569,752.....	44,773,898.....
Hospital and Medical:				
9. Hospital/medical benefits.....	.....	.....	.....	.....
10. Other professional services.....	.....	.....	.....	.....
11. Outside referrals.....	.....	.....	.....	.....
12. Emergency room and out-of-area.....	.....	.....	.....	.....
13. Prescription drugs.....	.....	26,491,490.....	9,229,250.....	44,317,947.....
14. Aggregate write-ins for other hospital and medical.....	0.....	0.....	0.....	0.....
15. Incentive pool, withhold adjustments and bonus amounts.....	.....	.....	.....	.....
16. Subtotal (Lines 9 to 15).....	0.....	26,491,490.....	9,229,250.....	44,317,947.....
Less:				
17. Net reinsurance recoveries.....	.....	.....	.....	.....
18. Total hospital and medical (Lines 16 minus 17).....	0.....	26,491,490.....	9,229,250.....	44,317,947.....
19. Non-health claims (net).....	.....	.....	.....	.....
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....	.....	3,500.....	2,973,218.....	6,300.....
21. General administrative expenses.....	.....	(6,143,356).....	(5,166,536).....	(7,016,161).....
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....	.....	.....	.....	.....
23. Total underwriting deductions (Lines 18 through 22).....	0.....	20,351,634.....	7,035,932.....	37,308,086.....
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	3,900,515.....	2,533,820.....	7,465,812.....
25. Net investment income earned.....	.....	5,495.....	23,242.....	51,163.....
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....	.....	.....	.....	.....
27. Net investment gains or (losses) (Lines 25 plus 26).....	0.....	5,495.....	23,242.....	51,163.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....	.....	.....	.....
29. Aggregate write-ins for other income or expenses.....	0.....	0.....	0.....	0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	3,906,010.....	2,557,062.....	7,516,975.....
31. Federal and foreign income taxes incurred.....	XXX.....	1,384,412.....	893,421.....	2,608,327.....
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	2,521,598.....	1,663,641.....	4,908,648.....

DETAILS OF WRITE-INS

0601.	XXX.....	.....	.....	.....
0602.	XXX.....	.....	.....	.....
0603.	XXX.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0.....	0.....	0.....
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0.....	0.....	0.....
0701.	XXX.....	.....	.....	.....
0702.	XXX.....	.....	.....	.....
0703.	XXX.....	.....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0.....	0.....	0.....
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0.....	0.....	0.....
1401. ....	.....	.....	.....	.....
1402. ....	.....	.....	.....	.....
1403. ....	.....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0.....	0.....	0.....	0.....
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0.....	0.....	0.....	0.....
2901. ....	.....	.....	.....	.....
2902. ....	.....	.....	.....	.....
2903. ....	.....	.....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0.....	0.....	0.....	0.....
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0.....	0.....	0.....	0.....

Express Scripts Insurance Company
STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	18,165,028	13,256,001	13,256,001
34. Net income or (loss) from Line 32.....	2,521,598	1,663,641	4,908,648
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	2,122	(1,550)	379
39. Change in nonadmitted assets.....			
40. Change in unauthorized reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	2,523,720	1,662,091	4,909,027
49. Capital and surplus end of reporting period (Line 33 plus 48).....	20,688,749	14,918,092	18,165,028

DETAILS OF WRITE-INS			
4701. Independent Auditor's Adjustment as Stated in Audit including tax provision true-up.....			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0

Express Scripts Insurance Company
CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	24,252,149	9,569,752	44,773,898
2. Net investment income.....	5,250	22,610	54,212
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	24,257,399	9,592,362	44,828,110
5. Benefit and loss related payments.....	26,586,890	9,464,250	44,250,747
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(35,499,675)	(2,017,413)	(11,060,798)
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	0	(0)	1,039,624
10. Total (Lines 5 through 9).....	(8,912,785)	7,446,837	34,229,572
11. Net cash from operations (Line 4 minus Line 10).....	33,170,184	2,145,525	10,598,538
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....			
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	0
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(34,500,980)	6,558,318	(19,297,120)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(34,500,980)	6,558,318	(19,297,120)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(1,330,796)	8,703,843	(8,698,583)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	28,775,019	37,473,601	37,473,602
19.2 End of period (Line 18 plus Line 19.1).....	27,444,224	46,177,444	28,775,019

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at End of:										
1. Prior Year.....	21,359									21,359
2. First Quarter.....	49,160									49,160
3. Second Quarter.....	0									
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	0									
Total Member Ambulatory Encounters for Period:										
7. Physician.....	0									
8. Non-Physician.....	0									
9. Total.....	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred.....	0									
11. Number of Inpatient Admissions.....	0									
12. Health Premiums Written (a).....	24,252,149									24,252,149
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	24,252,149									24,252,149
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services.....	26,586,890									26,586,890
18. Amount Incurred for Provision of Health Care Services.....	26,491,490									26,491,490

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.0.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
0699999. Total Amounts Withheld.....						220,800
0799999. Total Claims Unpaid.....						220,800

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....					0	
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....	44,258	26,542,632		220,800	44,258	316,200
9. Health subtotal (Lines 1 to 8).....	44,258	26,542,632	0	220,800	44,258	316,200
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9-10+11+12).....	44,258	26,542,632	0	220,800	44,258	316,200

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Principles

The financial statements of Express Scripts Insurance Company are presented on the basis of accounting practices prescribed or permitted by the State of Arizona Department of Insurance (the "Department").

The State of Arizona Department of Insurance recognized only statutory accounting practices prescribed or permitted by the State of Arizona for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Arizona Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Arizona.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Balance Sheet

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, Department (as defined above) deposits and certificates of deposit with original maturities of three months or less. In compliance with the state of Arizona's request in December 2008, the Company diversified its working cash bank accounts in JP Morgan Chase to comply with the state of domicile's (Arizona) 10 percent diversification regulation AR 20-535 limitation on percentage of assets invested with single person. The Company worked with JP Morgan Chase to diversify in various JP Morgan Fund Family fund accounts while meeting the needs of the Company and other requirements of states that required diversification on their behalf during the Expansion Application process. The Company continues to monitor its diversification methodologies while being in compliance with regulation AR 20-535 limitations - see the Short-Term Investments section below for details on the diversification in JP Morgan Fund Family accounts. In June 2010, the Company deposited \$50,000 into a Wells Fargo FDIC Insured Commercial Checking (Restricted) account as requested by the state of California during the licensure process and received the Certificate of Authority from California DMHC in November. The balances of these accounts as of March 31, 2012 are as follows:

Cash:	
JP Morgan Chase Bank - Chicago, Illinois	\$ 306,169
US Bank – FDIC Insured Commercial Checking (Unrestricted OR)	19,862
Bank of America Fixed Income 12 month CD (Restricted AR)	100,000
US Bank - Fixed Income 12 month CD (Restricted GA)	35,002
Wells Fargo - FDIC Insured Commercial Checking (Restricted CA)	<u>50,181</u>
Total Cash	<u>\$ 511,214</u>

Short-Term Investments - Short-term investments include investments in the First American Treasury and U.S. Treasury Bills with a maturity of twelve months or less. These investments are maintained in an account with U.S. Bank. Investments maintained in the US Bank account are to fulfill the minimum account balances required for the Company's Certificate of Authority with the state of Arizona as well as other states with which the Company has applied for licenses. The account with U.S. Bank has restrictions on access to the funds. Effective April 17, 2008 and in compliance with the state of Arizona's request, \$1,014,888 was transferred out of the Evergreen Investment Account and combined with the U.S. Treasury Bills that were maturing at a value of \$550,000. The combined monies of \$1,564,880 were used to purchase \$1,575,000 of U.S. Treasury Bills at a discounted rate thus alleviating diversification concerns held by the State of Arizona. The state of North Carolina has refunded \$200,000 of the restricted amount to the company due to the agreements set forth at the time of licensure. The balances of these accounts as of March 31, 2012 are as follows:

Short-term Investments:	
Bank of America Federated US Treasury 125 Fund (Restricted NH)	\$ 250,014
Citibank ISD Global Concentration (Restricted MA)	100,043
SunTrust Ridgeworth US Treasury (Restricted VA)	500,000
US Bank – First American Treasury (Restricted NC)	400,007
Union Bank – U S Treasury Bill (Restricted AZ - Others)	1,576,418
US Bank – US Treasury Bills (Unrestricted OR & Others)	7,495,365
JPM Funds – US Govt Sec	1,501,213
Federated Funds – US Treas Cash Res Fund	1,500,129
Federated Funds – US Treas Prime Cash Obligation	1,503,083
Federated Funds – US Treas Govt Obligation	1,550,308
Federated Funds – US Treas Treas Obligation	1,550,871
Dreyfus Funds – Cash Management Participant Shares	1,500,944
Dreyfus Funds – Institutional Cash Adv Inst Shares	1,553,210
Goldman Funds – Prime Mutual	1,500,380
Goldman Funds – Government	1,500,354
Goldman Funds – Money Market Mutual Fund	1,500,440
Goldman Funds – Federal MMkt Mtl Fnd	<u>1,450,230</u>
Total Short-term Investments	<u>\$26,933,009</u>

NOTES TO FINANCIAL STATEMENTS

The Company worked with various states during the Expansion Application process to meet their requirements while maintaining those of the state of domicile. The Company diversified its working cash bank accounts in JP Morgan Chase to comply with the state of domicile's diversification regulation AR 20-535. The results of that diversification include monies in several Fund Accounts - JPM Funds, Federated Funds, Dreyfus Funds and Goldman Funds. The diversification of the JP Morgan Chase working bank accounts meets the requirements of the state of domicile (Arizona) and the various states the Company worked with during the Expansion Application process.

To meet particular states' requirements during the Expansion Application process the Company deposited required amounts into restricted investments as required by those states. These states are New Hampshire, Arkansas, Massachusetts, Virginia, Georgia, North Carolina and California.

Intercompany Payables and Receivables - Intercompany amounts result from operations in the normal course of business, including expenses paid on behalf of the Company by the parent corporation, Express Scripts Senior Care Holdings, Inc.

Amounts Receivable Relating to Uninsured Plans - The Company adjusted the receivable at December 31, 2011 based on estimates. These estimates include Reinsurance and Low-Income Cost Sharing (LICS) settlements the Company would expect to receive after CMS performs their annual reconciliations in 2012. Note that for employer group waiver plans (EGWPs), CMS does not make prospective subsidy payments; therefore, both reinsurance and LICS are receivables. An outside actuarial service opined on the 2011 receivable numbers during the annual statutory filing process in accordance with published guidance from the American Academy of Actuaries for the end-of-the year statutory reporting of these Part D reconciliation items.

Common Stock - Common Stock represents shares of ownership by the parent company. As of March 31, 2012, a total of 2,600,000 shares of stock have been issued to the parent company, Express Scripts Senior Care Holdings, Inc. at a par value of \$1 per share.

Income Statement

Revenue Recognition - The Company offers benefits under a funded Medicare Part D Plan. Premiums are billed monthly and are recorded as revenue in the period billed. Premiums received in advance are recorded as a liability and classified as revenue in the period to which they relate.

Claim Cost - Prescription drug claims are recorded as expense in the period in which the prescription is filled.

Intercompany Transactions - The Company's parent corporation, Express Scripts Senior Care Holdings, Inc., performs administrative services for the Company, including processing prescription drug claims and invoicing members for premiums. The Company pays Express Scripts Senior Care Holdings, Inc. for prescription drug costs and other costs associated with administering the program, under an intercompany agreement on file with the State of Arizona.

General Administrative Expenses - The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$10,944,347 for the three months ended March 31, 2012, \$5,494,864 for the three months ended March 31, 2011 and \$19,815,929 for the twelve months ended December 31, 2011. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

General Administrative Expenses

Self funded (non-risk) admin fee received (SSAP 47)	\$ (10,944,347)
Software and other misc. expense	4,611,960
Professional fees	80,411
Insurance taxes, licenses and fees	106,627
	<u>\$ (6,152,349)</u>

Note 2 - Accounting Changes and Corrections of Errors

Not Applicable.

Note 3 - Business Combinations and Goodwill

Not Applicable.

Note 4 - Discontinued Operations

Not Applicable.

Note 5 - Investments

The Company's investments consist of First American Treasury Obligation held by U.S. Bank, US Treasury Bonds and U.S. Treasury Bills, JP Morgan Funds, Federated Funds, Dreyfus Funds, Goldman Funds. In addition, the Company deposited required amounts into restricted investments as required by New Hampshire, Arkansas, Massachusetts, Virginia, Georgia and North Carolina and an unrestricted US Bank to meet an unrestricted Oregon security deposit holding U.S. Treasury Bills. Additionally, the New York Department of Insurance requested

NOTES TO FINANCIAL STATEMENTS

diversification of cash and investments into more U.S. Treasury Bills to meet the state's regulations. As a result, the Company purchased two additional U.S. Treasury Bills in June 2010, each with a par value of \$5,000,000, but they were purchased at a discounted rate. In December 2010, one U.S. Treasury Bill matured with a par value of \$5,000,000 and a new U.S. Treasury Bill was purchased with a par value of \$10,000,000 to continue to meet the New York Department of Insurance regulatory requirements. In June 2011, a U.S. Treasury Bill matured with a par value of \$5,000,000 and a principal cost of \$4,988,851 and a new U.S. Treasury Bill was purchased with a par value of \$5,000,000 with a principal cost of \$4,998,094 and a market value of \$4,998,125. In August 2011, a U.S. Treasury Bill matured with a par value of \$10,000,000 and a principal cost of \$9,988,100. A new Treasury Bill was not purchased. \$2,000,000 of the U.S. Treasury Bill maturity was held in unrestricted cash with the remaining \$8,000,000 spread over the Federated, Dreyfus and Goldman Funds. Also note that the state of North Carolina refunded \$200,000 of the total amount (\$600,000) held in a restricted account due to fulfillment by the company of requirements designated by the state at the time of licensure.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company doesn't have any investments in joint ventures, partnerships or limited liability companies.

Note 7 - Investment Income

The Company earned \$5,495 of investment income for the period ended March 31, 2012.

Note 8 - Derivative Instruments

Not Applicable.

Note 9 - Income Taxes

A. The required analyses of the net deferred tax asset/(liability) at March 31, 2012 and December 31, 2011 are as follows:

The components of the net deferred tax asset/(liability):

	<u>2012 (All Ordinary)</u>	<u>2011 (All Ordinary)</u>	<u>Change</u>
Gross deferred tax assets	\$4,147	\$2,025	\$2,122
Statutory valuation allowance	\$0	\$0	\$0
Adjusted gross deferred tax assets	\$4,147	\$2,025	\$2,122
Nonadmitted deferred tax assets	\$0	\$0	\$0
Net admitted deferred tax assets	\$4,147	\$2,025	\$2,122
Deferred tax liabilities	\$0	\$0	\$0
Net admitted deferred tax asset/(liability)	\$4,147	\$2,025	\$2,122

The amounts of all results of the calculations required by SSAP 101 paragraphs 11.a., 11.b., and 11.c.:

	<u>2012 (All Ordinary)</u>	<u>2011 (All Ordinary)</u>
Adjusted gross deferred tax assets reversing within statutory loss carryback period	\$4,147	\$2,025
Remaining adjusted gross deferred tax assets expected to be realized; the lesser of:		
1. Remaining adjusted gross deferred tax asset	\$0	\$0
2. Per limitation threshold (see below)	\$3,102,690	\$2,724,450
	\$0	\$0
Remaining adjusted gross deferred tax assets offset against existing deferred tax liabilities	\$0	\$0
	\$4,147	\$2,025

The components of the limitation threshold above:

	<u>2012</u>	<u>2011</u>
Ratio percentage used to determine recovery period and limitation amount	451%	396%
Amount of adjusted capital and surplus used to determine recovery period and limitation amount	\$3,102,690	\$2,724,450

Tax planning strategies:

No tax planning strategies, including reinsurance-related strategies, have been contemplated in the determination of the gross deferred tax assets or the net admitted deferred tax assets.

Unrecognized deferred tax liabilities:

There are no unrecognized deferred tax liabilities.

NOTES TO FINANCIAL STATEMENTS

B. The significant components of income taxes incurred and deferred tax assets and (liabilities) are as follows:

Current income tax:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current year federal income tax expense/(benefit) on ordinary income	\$1,384,412	\$2,608,327	(\$1,223,915)
Total income tax expense/(benefit)	<u>\$1,384,412</u>	<u>\$2,608,327</u>	<u>(\$1,223,915)</u>

Individual components of the Company's gross deferred tax assets:

	<u>Mar 31, 2012</u> <u>(All ordinary)</u>	<u>Dec 31, 2011</u> <u>(All ordinary)</u>	<u>Change</u>
Net operating loss	\$0	\$0	\$0
Contract claims payable	\$1,329	\$1,904	(\$575)
Other	\$2,818	\$121	\$2,697
Gross deferred tax assets	<u>\$4,147</u>	<u>\$2,025</u>	<u>\$2,122</u>

There are no deferred tax liabilities at March 31, 2012 and December 31, 2011.

C. A reconciliation of the expected provision for federal income taxes at the statutory tax rate of 35 percent and the actual provision for the three months ended March 31, 2012 and the twelve months ended December 31, 2011 is as follows:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Income tax provision (benefit) computed at statutory tax rate	\$1,367,103	\$2,630,941	(\$1,263,838)
Change in contingency accrual	\$15,187	(\$22,992)	\$38,179
Income tax expense/(benefit)	<u>\$1,382,290</u>	<u>\$2,607,949</u>	<u>(\$1,225,659)</u>

D. Operating loss and tax credit carryforward information is as follows:

	<u>Mar 31, 2012</u>	<u>Dec 31, 2011</u>
Unused operating loss carryforwards available to offset against future taxable income.	\$0	\$0
Income tax expense available for recoupment in the event of future net losses	<u>\$1,369,225</u>	<u>\$2,608,327</u>

E. The Company did not have any protective tax deposits under Section 6603 of the internal Revenue Code.

F. Disclosures with respect to the consolidated federal income tax return are as follows:

The Company joins in the filing of a consolidated federal income tax return with the following entities:

Express Scripts, Inc. (Parent)	Express Scripts Canada Holding Co.
CFI of New Jersey Inc.	Curascript Inc.
Curascript PBM Services Inc.	Diversified Pharmaceutical Services Inc.
Diversified NY IPA Inc.	ESI Claims Inc.
ESI Mail Pharmacy Service Inc.	ESI GP Holdings Inc.
Express Scripts Utilization Management Co.	IVTX Inc.
Mooreville On-Site Pharmacy, LLC	National Prescription Administrators Inc.
NPA OF New York IPA Inc.	Priority Healthcare Distribution Inc.
Priority Healthcare Corporation	Priority Healthcare Corporation West
Priority Healthcare Pharmacy Inc.	Freco Inc.
Lynnfield Compounding Center Inc.	Lynnfield Drug Inc.
Chesapeake Infusion Inc.	Sinuspharmacy Inc.
Byfield Drug Inc.	Healthbridge Reimbursement
Specialty Infusion Pharmacy Inc.	Spectracare Health Care Ventures Inc.
Priority Healthcarecom Inc.	Spectracare Infusion Pharmacy Inc.
Spectracare Inc.	Care Continuum Inc.
Spectracare Management Services Inc.	Express Scripts Specialty Distribution
Express Scripts Services Company	Express Scripts Pharmaceutical Procurement, LLC
Value Health, Inc.	Connectyourcare LLC
Yourpharmacy.com	Express Scipts WC, Inc.
First RX Inc.	ESI Mail Order Processing, Inc.
Ibiologic Inc.	ESI Acquisition, Inc.
Healthbridge Inc.	Express Scripts Senior Care Holdings Inc.
Express Scripts Senior Care Inc.	Express Reinsurance Company
Aristotle Holding Inc.	Plato Merger Sub Inc.

The Company and Parent are parties to a tax sharing agreement (the "Agreement") which governs the allocation and settlement of taxes. The Agreement provides that the Company shall pay Parent an amount equal to Company's separate tax liability. Likewise, if the Company incurs a loss or generates a tax attribute that exceeds Company's separate tax liability and such loss or attribute is utilized by Parent's affiliated group, Parent shall pay the Company an amount equal to such tax reduction.

NOTES TO FINANCIAL STATEMENTS

G. The Company has accrued tax contingencies of \$207,509 at March 31, 2012 and \$192,322 at December 31, 2011 related primarily to potential expense adjustments for the tax year 2008.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company didn't pay any dividends to the Parent Company during the three months ended March 31, 2012.
- B. During February 2008, the parent company, Express Scripts Senior Care Holdings, Inc., forgave \$1,755,976 owed by Express Scripts Insurance Company ("The Company"). The state of Domicile (Arizona) approved this transaction which was completed to increase capital and surplus as required by the state of domicile to meet the calculated RBC level. For all subsequent quarters the Company has exceeded required RBC levels.
- C. At March 31, 2012 Express Scripts Insurance Company is reporting \$30,064,937 receivable from the parent company, Express Scripts Senior Care Holdings, Inc. This amount represents amounts owed to the parent company for prescription drug claims paid by Express Scripts Senior Care Holdings, Inc. on behalf of the Company as well as administrative costs incurred to process those claims netted against the amounts owed to the Company for payments from CMS to Express Scripts Senior Care Holdings, Inc. for the benefit of the Company and monies related to the coverage gap from pharmaceutical companies.
- D. All outstanding shares of Express Scripts Insurance Company are owned by Express Scripts Senior Care Holding, Inc. which is wholly owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company is changing.

Note 11 - Debt

Not Applicable.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not Applicable.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- A. The Company has authorized 10,000,000 shares of common stock with a par value of \$1 authorized, and 2,600,000 issued and outstanding as of March 31, 2012. On September 30, 2008, The Company issued 1,500,000 in additional common stock to the parent which also resulted in a change in paid in capital of \$2,200,000. The purpose of the issuance of additional stock and paid in capital increase was to meet the requirements set forth in various state expansion application guidelines.
- B. The Company does not have any preferred stock outstanding.
- C. All shares issued are common shares fully owned by Express Scripts Senior Care Holding, Inc., an entity 100% owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company is changing.

Note 14 - Contingencies

Not Applicable.

Note 15 - Leases

Not Applicable.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not Applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$10,944,347 for the three months ended March 31, 2012, \$5,494,864 for the three months ended March 31, 2011 and \$19,815,929 for the twelve months ended December 31, 2011. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

Note 20 - Fair Value

The Company does not hold any derivative assets or liabilities as of March 31, 2012. All intercompany balances are held at face value/fair market value as of March 31, 2012.

Note 21 - Other Items

On September 4, 2007 the Company secured a \$250,000 surety bond as required by the Nevada Division of Insurance in the processes to obtain a Certificate of Authority with the state of Nevada. The Company is Principal with Travelers Casualty and Surety Company of America as Surety for bond number 105000106. On July 22, 2008 the Company secured a \$100,000 surety bond as required by the New Mexico Insurance Division in the processes to obtain a Certificate of Authority with the state of New Mexico. The Company is Principal with Travelers Casualty and Surety Company of America as Surety for bond number 105125294.

Note 22 - Events Subsequent

Not Applicable.

Note 23 - Reinsurance

Not Applicable.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

The Company processes claims under its Medicare Part D Plan. Claims are reported when incurred through the use of a pharmacy benefit manager. Potential adjustments to claim expense could result from "self-pay" claims in which members pay for a claim and then submit the claim to the Company for reimbursement. Adjustments could also result from faulty member enrollment data. There have not been any material adjustments to claim expense for the period ended March 31, 2012.

Note 26 - Intercompany Pooling Arrangements

Not Applicable.

Note 27 - Structured Settlements

Not Applicable.

Note 28 - Health Care Receivables

Not Applicable.

Note 29 - Participating Policies

Not Applicable.

Note 30 - Premium Deficiency Reserves

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

Note 31 - Anticipated Salvage and Subrogation

Not Applicable.

Express Scripts Insurance Company
GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐]No [☒ X]

1.2

If yes, has the report been filed with the domiciliary state?

Yes [☐]No [☐]

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [☐]No [☒ X]

2.2

If yes, date of change:

.....

3.

Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y-Part 1 - Organizational chart.

Yes [☐]No [☒ X]

4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐]No [☒ X]

4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [☐]No [☒ X]N/A [☐]

6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008.....

6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

6/24/2009.....

6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

6/24/2009.....

6.4

By what department or departments?
State of Arizona Department of Insurance

6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [☒ X]No [☐]N/A [☐]

6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [☒ X]No [☐]N/A [☐]

7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [☐]No [☒ X]

7.2

If yes, give full information:

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [☐]No [☒ X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [☐]No [☒ X]

8.4

If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [☒ X]No [☐]

9.11

If the response to 9.1 is No, please explain:

9.2

Has the code of ethics for senior managers been amended?

Yes [☐]No [☒ X]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐]No [☒ X]

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Express Scripts Insurance Company
GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES - GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

PART 1 - FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.0

13. Amount of real estate and mortgages held in short-term investments: \$.0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$0	\$0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of America	Private Wealth Management, 200 W Capitol Ave., 3rd Fl, Little Rock, AR 72201-3605
JP Morgan Chase Bank	Illinois Market, PO Box 260180, Baton Rouge, LA 70826-0180
US Bank	Wachovia Blds, 1W 4th Street, 7th Fl, Winston-Salem, NC 27101
Union Bank	350 California Street, 6th Floor, San Francisco, CA 94104
SunTrust	1801 West Broad Street, Richmond, VA 23220
Citibank	111 Wall Street, New York, NY 10043

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

PART 1 - INVESTMENT

17.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes ☒ X

No ☐

17.2

If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
1.1	A&H loss percent		<div>0.0 %</div>
1.2	A&H cost containment percent		<div>0.0 %</div>
1.3	A&H expense percent excluding cost containment expenses		<div>0.0 %</div>
2.1	Do you act as a custodian for health savings accounts?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		<div>0</div>
2.3	Do you act as an administrator for health savings accounts?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		<div>0</div>

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1.	Alabama.....AL	...L.....	.....160,256						.....160,256	
2.	Alaska.....AK	...L.....							.....0	
3.	Arizona.....AZ	...L.....	.....106,838						.....106,838	
4.	Arkansas.....AR	...L.....	.....53,419						.....53,419	
5.	California.....CA	...L.....	.....1,068,377						.....1,068,377	
6.	Colorado.....CO	...L.....	.....106,838						.....106,838	
7.	Connecticut.....CT	...L.....	.....801,282						.....801,282	
8.	Delaware.....DE	...L.....	.....53,419						.....53,419	
9.	District of Columbia.....DC	...L.....	.....373,932						.....373,932	
10.	Florida.....FL	...E.....	.....747,864						.....747,864	
11.	Georgia.....GA	...L.....	.....534,188						.....534,188	
12.	Hawaii.....HI	...L.....							.....0	
13.	Idaho.....ID	...L.....							.....0	
14.	Illinois.....IL	...L.....	.....2,831,198						.....2,831,198	
15.	Indiana.....IN	...L.....	.....1,442,308						.....1,442,308	
16.	Iowa.....IA	...L.....	.....320,513						.....320,513	
17.	Kansas.....KS	...L.....							.....0	
18.	Kentucky.....KY	...L.....	.....106,838						.....106,838	
19.	Louisiana.....LA	...L.....	.....320,513						.....320,513	
20.	Maine.....ME	...E.....	.....53,419						.....53,419	
21.	Maryland.....MD	...L.....	.....747,864						.....747,864	
22.	Massachusetts.....MA	...L.....	.....747,864						.....747,864	
23.	Michigan.....MI	...L.....	.....2,991,450						.....2,991,450	
24.	Minnesota.....MN	...L.....	.....160,256						.....160,256	
25.	Mississippi.....MS	...L.....	.....53,419						.....53,419	
26.	Missouri.....MO	...L.....	.....747,864						.....747,864	
27.	Montana.....MT	...L.....	.....106,838						.....106,838	
28.	Nebraska.....NE	...L.....							.....0	
29.	Nevada.....NV	...L.....							.....0	
30.	New Hampshire.....NH	...L.....	.....53,419						.....53,419	
31.	New Jersey.....NJ	...L.....	.....427,351						.....427,351	
32.	New Mexico.....NM	...L.....							.....0	
33.	New York.....NY	...L.....	.....1,976,497						.....1,976,497	
34.	North Carolina.....NC	...L.....	.....587,607						.....587,607	
35.	North Dakota.....ND	...L.....							.....0	
36.	Ohio.....OH	...L.....	.....1,068,377						.....1,068,377	
37.	Oklahoma.....OK	...L.....	.....53,419						.....53,419	
38.	Oregon.....OR	...L.....	.....160,256						.....160,256	
39.	Pennsylvania.....PA	...L.....	.....908,120						.....908,120	
40.	Rhode Island.....RI	...L.....	.....106,838						.....106,838	
41.	South Carolina.....SC	...L.....	.....213,675						.....213,675	
42.	South Dakota.....SD	...L.....							.....0	
43.	Tennessee.....TN	...L.....	.....427,351						.....427,351	
44.	Texas.....TX	...L.....	.....1,388,890						.....1,388,890	
45.	Utah.....UT	...L.....	.....53,419						.....53,419	
46.	Vermont.....VT	...L.....	.....106,838						.....106,838	
47.	Virginia.....VA	...L.....	.....427,351						.....427,351	
48.	Washington.....WA	...L.....	.....106,838						.....106,838	
49.	West Virginia.....WV	...L.....							.....0	
50.	Wisconsin.....WI	...L.....	.....1,495,727						.....1,495,727	
51.	Wyoming.....WY	...E.....	.....53,419						.....53,419	
52.	American Samoa.....AS	...N.....							.....0	
53.	Guam.....GU	...N.....							.....0	
54.	Puerto Rico.....PR	...E.....							.....0	
55.	U.S. Virgin Islands.....VI	...N.....							.....0	
56.	Northern Mariana Islands.....MP	...N.....							.....0	
57.	Canada.....CN	...N.....							.....0	
58.	Aggregate Other alien.....OT	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	...XXX.....	.....24,252,149	.....0	.....0	.....0	.....0	.....0	.....24,252,149	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....							.....0	
61.	Total (Direct Business).....	(a).....48	.....24,252,149	.....0	.....0	.....0	.....0	.....0	.....24,252,149	.....0

DETAILS OF WRITE-INS

5801.								.....0	
5802.								.....0	
5803.								.....0	
5898.	Summary of remaining write-ins for line 58 from overflow page.....		.....0	.....0	.....0	.....0	.....0	.....0	.....0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....		.....0	.....0	.....0	.....0	.....0	.....0	.....0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
Members														
.....	20-3126104	.....	.....	.....	Express Scripts Senior Care Holdings, Inc.....	DE.....	UDP.....	Express Scripts, Inc.....	Common Stock Ownership	....100.00	Express Scripts, Inc.....	.....

Express Scripts Insurance Company

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	<div>YES</div>

Explanation:
1.

Bar Code:

Express Scripts Insurance Company
Overflow Page for Write-Ins

NONE

Express Scripts Insurance Company
SCHEDULE A - VERIFICATION
Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

SCHEDULE B - VERIFICATION
Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	0	
2. Cost of bonds and stocks acquired.....		
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration for bonds and stocks disposed of.....		
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	0

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....								
2. Class 2 (a).....								
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	0	0	0	0	0	0	0	0
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	0	0	0	0	0	0	0	0

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

QSI02

NONE

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	.....26,933,009	.....XXX.....	.....26,922,140	.....5,495	.....

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....26,938,155	.....37,177,947
2. Cost of short-term investments acquired.....	.....9,071,056	.....61,163,917
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....	.....(5,145)	.....39,462
5. Total gain (loss) on disposals.....	.....5,723	.....1,658
6. Deduct consideration received on disposals.....	.....9,076,780	.....71,444,829
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....26,933,009	.....26,938,155
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.....26,933,009	.....26,938,155

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/adjusted carrying value, December 31, prior year (Line 9, prior year).....	
2.	Cost paid/(consideration received) on additions.....	
3.	Unrealized valuation increase (decrease).....	
4.	Total gain (loss) on termination recognized.....	
5.	Considerations received (paid) on terminations.....	
6.	Amortization.....	
7.	Adjustment to the book/adjusted carrying value of hedge item.....	
8.	Total foreign exchange change in book/adjusted carrying value.....	
9.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8).....	0
10.	Deduct nonadmitted assets.....	
11.	Statement value at end of current period (Line 9 minus Line 10).....	0

NONE

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1.	Book/adjusted carrying value, December 31, prior year.....	
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote).....	
3.1	Change in variation margin on open contracts.....	
3.2	Add:	
	Change in adjustment to basis of hedged item:	
3.21	Section 1, Column 17, current year to date minus.....	
3.22	Section 1, Column 17, prior year.....	0
	Change in amount recognized:	
3.23	Section 1, Column 16, current year to date minus.....	
3.24	Section 1, Column 16, prior year.....	0
3.3	Subtotal (Line 3.1 minus Line 3.2).....	0
4.1	Variation margin on terminated contracts during the year.....	
4.2	Less:	
4.21	Amount used to adjust basis of hedged item.....	
4.22	Amount recognized.....	0
4.3	Subtotal (Line 4.1 minus Line 4.2).....	0
5.	Dispositions gains (losses) on contracts terminated in prior year:	
5.1	Recognized.....	
5.2	Used to adjust basis of hedged items.....	
6.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2).....	0
7.	Deduct nonadmitted assets.....	
8.	Statement value at end of current period (Line 6 minus Line 7).....	0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1	2	3	4	5	6	7	8	Derivative Instruments Open				Cash Instrument(s) Held			
		NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	11	12	13	14	15	16
Number	Description	Description	Amount	Carrying Value	Value	Date	Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Reconciliation (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory.....			.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2. Add: Opened or acquired transactions.....									.....0	.....0
3. Add: Increases in replication asset statement value.....	.....XXX.....		.....XXX.....		.....XXX.....		.....XXX.....		.....XXX.....	.....0
4. Less: Closed or disposed of transactions.....										.....0
5. Less: Positions disposed of for failing effectiveness criteria.....										.....0
6. Less: Decreases in replication (synthetic asset) transactions statement value.....	.....XXX.....		.....XXX.....		.....XXX.....		.....XXX.....		.....XXX.....	.....0
7. Ending Inventory.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1.	Part A, Section 1, Column 14.....	
2.	Part B, Section 1, Column 14.....	
3.	Total (Line 1 plus Line 2).....	0
4.	Part D, Column 5.....	
5.	Part D, Column 6.....	
6.	Total (Line 3 minus Line 4 minus Line 5).....	0

Fair Value Check

7.	Part A, Section 1, Column 16.....	
8.	Part B, Section 1, Column 13.....	
9.	Total (Line 7 plus Line 8).....	0
10.	Part D, Column 8.....	
11.	Part D, Column 9.....	
12.	Total (Line 9 minus Line 10 minus Line 11).....	0

Potential Exposure Check

13.	Part A, Section 1, Column 21.....	
14.	Part B, Section 1, Column 19.....	
15.	Part D, Column 11.....	
16.	Total (Line 13 plus Line 14 minus Line 15).....	0

NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....0	.....
2. Cost of cash equivalents acquired.....	.....	.....
3. Accrual of discount.....	.....	.....
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....	.....
6. Deduct consideration received on disposals.....	.....	.....
7. Deduct amortization of premium.....	.....	.....
8. Total foreign exchange change in book/ adjusted carrying value.....	.....	.....
9. Deduct current year's other than temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....0	.....0
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....0	.....0

NONE

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

NONE

QE01

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

QE02

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									

NONE

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						

NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

NONE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Contractual Maturity Date	NAIC Desig- nation or Market Indicator (a)

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

QE05

NONE

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	Description of Items Hedged or Used for Income Generation	Schedule /Exhibit Identifier	Type(s) of Risk	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Indexed Received (Paid)	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (a)
Description																						

NONE

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Change in Variation Margin				19	20
														15	16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Hedged Item(s)	Schedule/ Exhibit Identifier	Type(s) of Risk	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (a)

NONE

QE07

Broker Name	Net Cash Deposits
-------------	-------------------

NONE

QE07FE

NONE

SCHEDULE DB - PART D

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description Counterparty or Exchange Traded	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book Adjusted Carrying Value > 0	Contracts With Book Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates

General Interrogatories:

1. The activity for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
NAIC 1: \$.....0 NAIC 2: \$.....0 NAIC 3: \$.....0 NAIC 4: \$.....0 NAIC 5: \$.....0 NAIC 6: \$.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation /Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates

General Interrogatory:

1. The activity for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
3. Grand Total Schedule DL Part 1 and Part 2: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

Open Depositories

Bank of America.....	Little Rock, Arkansas.....	SD.....	.....0.600	.....	.....	.....100,000	.....100,000	.....100,000	XXX..
US Bank.....	Winston-Salem, North Carolina.....	SD.....	.....0.800	.....1	.....	.....35,001	.....35,001	.....35,002	XXX..
JP Morgan Chase Bank.....	Chicago, Illinois.....	.....	.....	.....	.....	.....218,877	.....520,831	.....306,169	XXX..
US Bank.....	St. Paul, Minnesota.....	.....	.....	.....	.....	.....16,070	.....16,070	.....19,862	XXX..
Wells Fargo.....	San Francisco, California.....	SD.....	.....	.....	.....	.....50,181	.....50,181	.....50,181	XXX..
0199999. Total Open Depositories.....	...	...XXX.....	...XXX.....	.....1	.....0	.....420,129	.....722,083	.....511,214	XXX..
0399999. Total Cash on Deposit.....	...	...XXX.....	...XXX.....	.....1	.....0	.....420,129	.....722,083	.....511,214	XXX..
0599999. Total Cash.....	...	...XXX.....	...XXX.....	.....1	.....0	.....420,129	.....722,083	.....511,214	XXX..

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE



MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code.....0

NAIC Company Code.....60025

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected.....		XXX.....	24,252,149	XXX.....	24,252,149
2. Earned premiums.....		XXX.....	24,252,149	XXX.....	XXX.....
3. Claims paid.....		XXX.....	26,586,890	XXX.....	26,586,890
4. Claims incurred.....		XXX.....	26,491,490	XXX.....	XXX.....
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	XXX.....		XXX.....		0
6. Aggregate policy reserves - change.....		XXX.....		XXX.....	XXX.....
7. Expenses paid.....		XXX.....		XXX.....	0
8. Expenses incurred.....		XXX.....	(6,148,849)	XXX.....	XXX.....
9. Underwriting gain or loss.....	0	XXX.....	3,909,508	XXX.....	XXX.....
10. Cash flow results.....	XXX.....	XXX.....	XXX.....	XXX.....	(2,334,741)

(a) Uninsured Receivable/Payable with CMS at End of Quarter \$.....0 due from CMS or \$.....0 due to CMS.